

**SENATE BILL**

**No. 16**

**Introduced by Committee on Budget and Fiscal Review**

January 27, 2003

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An act to amend Sections 52122, 52123, 52124, 52124.5, 52126, and 52335.2 of, to amend, repeal, and add Section 41335 to, to add Sections 14041.5, 33128.1, and 41339.1 to, to repeal Article 13 (commencing with Section 44400) of Chapter 2 of Part 25 of, and to repeal and add Section 41330 to, the Education Code, relating to school finance, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 16, as introduced, Committee on Budget and Fiscal Review. School finance.

(1) Existing law requires the State Board of Education to adopt standards and criteria to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget. Existing law requires those standards and criteria to include comparisons and reviews of reserves and fund balances.

This bill would, notwithstanding any provision of law, authorize a local education agency to count any amount of state funding deferred from the current fiscal year and appropriated from a subsequent fiscal year for payment of current year costs as a receivable in the current year.

(2) Existing law requires the Superintendent of Public Instruction to make the second principal apportionment on or before June 25th of each year.

This bill would instead require this apportionment to be made on or before July 2. The bill would make conforming and technical changes in this regard.

(3) Existing law establishes the California Mathematics Initiative for Teaching for the general purposes of increasing the number of teachers who are competent and certificated to teach mathematics.

This bill would repeal this program.

(4) Existing law establishes the Class Size Reduction Program in which participating school districts are provided funding for reducing class size to a ratio of 20 pupils to 1 teacher in kindergarten and any of grades 1 to 3, inclusive. Existing law allows certain small school districts to determine the average class size on a schoolsite basis rather than on an individual class basis if the ratio of pupils to teacher in any class included in the average does not exceed the 20 to 1 ratio by more than 2 pupils.

This bill would allow all school districts to determine average class size on a districtwide basis and would not prohibit the class size from exceeding 22 pupils on a particular day. The bill would make technical and conforming changes

(5) Existing law requires certain state funds made available as a result of local property tax revenues to be allocated to regional occupational centers and programs in an equal amount per unit of funded average daily attendance.

This bill would delete this requirement.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 14041.5 is added to the Education Code,  
2 to read:

3 14041.5. (a) Notwithstanding subdivision (a) of Section  
4 14041, commencing with the 2002–03 fiscal year, warrants for the  
5 principal apportionments for the month of June shall be drawn in  
6 July of the same calendar year pursuant to the certification made  
7 pursuant to Section 41335.

8 (b) For purposes of making the computations required by  
9 Section 8 of Article XVI of the California Constitution, the

warrants drawn pursuant to subdivision (a) shall be deemed to be “General Fund revenues appropriated to school districts,” as defined in subdivision (c) of Section 41202 of the Education Code for the fiscal year in which the warrants are drawn and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202 of the Education Code, for the fiscal year in which the warrants are drawn.

SEC. 2. Section 33128.1 is added to the Education Code, to read:

33128.1. Notwithstanding any provision of law, a local educational agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

SEC. 3. Section 41330 of the Education Code is repealed.

~~41330. The Superintendent of Public Instruction shall on or before July 15th of each year certify to the Controller the amounts estimated to be apportioned to each effective school district during the current fiscal year on the basis of the report of the districts for the second principal apportionment of the preceding fiscal year; the amounts estimated to be apportioned to each county school tuition fund and to each county school service fund for schools and classes to be maintained by the county superintendent of schools during the current fiscal year on the basis of reports provided by the county superintendent of schools, and the amounts estimated by the Superintendent of Public Instruction to be apportioned to the county school service fund during the current fiscal year under subdivisions (a) and (b) of Section 14054. This apportionment shall be called the advance apportionment.~~

SEC. 4. Section 41330 is added to the Education Code, to read:

41330. Commencing with the 2003–04 fiscal year, for the purposes of allocating the advance apportionment for the current fiscal year, the Superintendent of Public Instruction shall on or before July 20th of each year certify to the Controller the amounts estimated to be apportioned to each effective school district for the current fiscal year on the basis of the report of the districts for the

1 second principal apportionment of the preceding fiscal year, the  
2 amounts estimated to be apportioned to each county school tuition  
3 fund and to each county school service fund for schools and classes  
4 to be maintained by the county superintendent of schools during  
5 the current fiscal year on the basis of reports provided by the  
6 county superintendent of schools, and the amounts estimated by  
7 the Superintendent of Public Instruction to be apportioned to the  
8 county school service fund during the current fiscal year under  
9 subdivisions (a) and (b) of Section 14054.

10 SEC. 5. Section 41335 of the Education Code is amended to  
11 read:

12 41335. (a) The Superintendent of Public Instruction shall on  
13 or before June 25th of each year apportion to each elementary  
14 school district, high school district, county school service fund,  
15 and county school tuition fund the total amounts allowed to ~~them~~  
16 *each respective district or fund* under Sections 14054, 14057,  
17 14058, 41790, 41800, 41810, 41811, 41840, 41841, 41863,  
18 41866, 41882, 41884, 41885, 41886, 41888, 41950, 41970,  
19 41971, 42004, 42005, 42054, 42055, 42056, and 52205,  
20 whichever are in effect. This apportionment shall be called the  
21 second principal apportionment.

22 (b) *This section shall become inoperative on June 1, 2003, and,*  
23 *as of January 1, 2004, is repealed, unless a later enacted statute*  
24 *that is enacted before January 1, 2004, deletes or extends the dates*  
25 *on which it becomes inoperative and is repealed.*

26 SEC. 6. Section 41335 is added to the Education Code, to  
27 read:

28 41335. (a) The Superintendent of Public Instruction shall on  
29 or before July 2 of each year apportion to each elementary school  
30 district, high school district, county school service fund, and  
31 county school tuition fund the total amounts allowed to each  
32 respective district or fund, as would have been apportioned on June  
33 25 of the fiscal year of the apportionment pursuant to Section  
34 41335 as it read on May 30, 2003, under Sections 14054, 14057,  
35 14058, 41790, 41800, 41810, 41811, 41840, 41841, 41863,  
36 41866, 41882, 41884, 41885, 41886, 41888, 41950, 41970,  
37 41971, 42004, 42005, 42054, 42055, 42056, and 52205,  
38 whichever are in effect. This apportionment shall be called the  
39 second principal apportionment.

40 (b) This section shall become operative on June 1, 2003.

SEC. 7. Section 41339.1 is added to the Education Code, to read:

41339.1. Notwithstanding subdivision (b) of Section 41339, ten working days prior to the dates prescribed in Section 41330 and Section 41335, as Section 41335 reads on and after June 1, 2003, the Superintendent of Public Instruction shall notify the Joint Legislative Budget Committee and the Department of Finance of the average daily attendance numbers and the local property tax revenues to be utilized in the respective certification.

SEC. 8. Article 13 (commencing with Section 44400) of Chapter 2 of Part 25 of the Education Code is repealed.

SEC. 9. Section 52122 of the Education Code is amended to read:

52122. (a) Except as otherwise provided by Section 52123, ~~any~~ a school district that maintains ~~any~~ kindergarten or any of grades 1 to 3, inclusive, may apply to the Superintendent of Public Instruction for an apportionment to implement a class size reduction program in that school district in kindergarten and any of the grades ~~designated in this chapter~~ 1 to 3, inclusive.

(b) An application submitted pursuant to this chapter shall identify both of the following:

(1) Each class that will participate in the Class Size Reduction Program.

(2) For each class that will participate in the Class Size Reduction Program, whether that class will operate under Option One or Option Two:

(A) (i) Option One: A school district shall provide a reduced class size for all pupils in each classroom for the full regular schoolday in each grade level for which funding is claimed. For the purposes of this chapter, “full regular schoolday” means a substantial majority of the instructional minutes per day, but shall permit limited periods of time during which pupils are brought together for a particular phase of education in groups that are larger than 20 pupils per certificated teacher. It is the intent of the Legislature that those limited periods of time be kept to a minimum and that instruction in reading and mathematics not be delivered during those limited periods of time. ~~For the purposes of this subparagraph, “class” is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and~~

~~41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).~~

(ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than *a districtwide average of 20 pupils*. ~~Except as provided in subdivision (h), in~~ In order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual *districtwide* average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. ~~Nothing in this chapter shall be construed to prohibit the class size from exceeding 20 pupils on any particular day, provided that the average class size for the participating schoolsite during the school year does not exceed 20.~~

(B) (i) Option Two: A school district shall provide a reduced class size for all pupils in each classroom for at least one-half of the instructional minutes offered per day in each grade level for which funding is claimed. ~~School districts~~ A school district selecting this option shall primarily devote those instructional minutes to the subject areas of reading and mathematics. ~~For the purposes of this subparagraph, “class” is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).~~

(ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than *a districtwide average of 20 pupils*. ~~Except as provided in subdivision (h), in~~ In order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual *districtwide* average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. ~~Nothing in this chapter shall be construed to prohibit the class size from exceeding 20 pupils on any particular day, provided that the average class size for the school year does not exceed 20.~~

(c) ~~A school district that intends to implement a class size reduction program for the 1996-97 school year shall submit an~~

1 application for funds pursuant to this chapter to the Superintendent  
2 of Public Instruction not later than November 1, 1996. To receive  
3 the total amount of funding in the 1996-97 school year for which  
4 the school district is eligible pursuant to Section 52126, a school  
5 district shall implement the Class Size Reduction Program by  
6 February 16, 1997, within the meaning of paragraph (2) of  
7 subdivision (b).

8 (d) A school district that intends to implement or continue to  
9 implement a class size reduction program for the 1997-98 school  
10 year and any subsequent school year shall submit an application  
11 for funding pursuant to this chapter to the Superintendent of Public  
12 Instruction not later than 90 days after the annual Budget Act is  
13 chaptered, unless otherwise specified in regulations adopted by the  
14 State Board of Education.

15 (e) For the 1997-98 school year, a school district that is either  
16 implementing or expanding a class size reduction program  
17 pursuant to this chapter may receive funding pursuant to this  
18 chapter even if the new classes for which funding is sought are not  
19 implemented at the beginning of the 1997-98 school year,  
20 provided that, for each new class in the Class Size Reduction  
21 Program, all of the following criteria are met:

22 (1) The teacher for each new class is hired and placed on the  
23 school district's payroll by November 1, 1997.

24 (2) Each teacher for a new class has begun to receive the  
25 training required by this chapter on or before February 16, 1998.

26 (3) All other requirements of this chapter are satisfied by  
27 February 16, 1998, and continue to be satisfied for the remainder  
28 of the 1997-98 school year.

29 (f) For the 1997-98 school year, the number of new classes in  
30 the Class Size Reduction Program is the number of classes  
31 satisfying the requirements of this chapter minus the number of  
32 classes funded in the Class Size Reduction Program pursuant to  
33 this chapter in the 1996-97 school year.

34 (g)

35 (d) Any school district that chooses to reduce *reduces* class size  
36 through the use of an early-late instructional program is ineligible  
37 to also use Section 46205, relating to the computation of  
38 instructional time for purposes of the Incentive for Longer  
39 Instructional Day and Year, in any grade level for which class size  
40 reduction funding is received pursuant to this chapter; ~~provided,~~



1 ~~however, that any.~~ A school district that operated under Section  
2 46205 prior to July 1, 1996, may receive class size reduction  
3 funding pursuant to Option One in any grade level for which class  
4 size reduction funding would otherwise be received pursuant to  
5 Option One.

6 ~~(h) (1) Notwithstanding any other provision of law, a school~~  
7 ~~district that maintains only one school serving pupils in~~  
8 ~~kindergarten and grades 1 to 3, inclusive, is eligible to receive~~  
9 ~~funding under this section on behalf of the school if there are no~~  
10 ~~more than two classes per participating grade level and the average~~  
11 ~~class size is no more than 20 pupils in each of the classes~~  
12 ~~participating in class size reduction at that schoolsite. For purposes~~  
13 ~~of this subdivision, average class size may be determined by~~  
14 ~~calculating the total number of pupils enrolled in all classes at all~~  
15 ~~grade levels in a school that will participate in the Class Size~~  
16 ~~Reduction Program divided by the total number of classes in the~~  
17 ~~school. The ratio of pupils to teacher in any class included in the~~  
18 ~~average shall not exceed the 20 to 1 standard by more than two~~  
19 ~~pupils.~~

20 ~~(2) As a condition of applying for funding under this~~  
21 ~~subdivision, a governing board shall make a public declaration,~~  
22 ~~either by adopting a resolution or by issuing a statement in a~~  
23 ~~publicly noticed open meeting, that it has exhausted all possible~~  
24 ~~alternatives to averaging and is unable to achieve the 20 to 1~~  
25 ~~pupil-teacher ratio in a way that is educationally acceptable.~~

26 ~~(e) For purposes of subparagraphs (A) and (B) of paragraph~~  
27 ~~(2) of subdivision (b), “class” is defined as follows:~~

28 ~~(1) “Class” is a group of pupils scheduled to report regularly~~  
29 ~~at a particular time to a particular teacher.~~

30 ~~(2) If the type of teaching in kindergarten and grades 1 to 3,~~  
31 ~~inclusive, occurs other than in self-contained classes, the “class”~~  
32 ~~is the basic homeroom for the pupil where all of the following~~  
33 ~~apply:~~

34 ~~(A) Attendance is recorded and an investigation of absences is~~  
35 ~~instigated.~~

36 ~~(B) The pupil has an assigned desk, locker, or drawer.~~

37 ~~(C) The teacher handles the administrative routines such as~~  
38 ~~keeping cumulative records, collecting basic data about the child,~~  
39 ~~distributing items to be given to the parent or guardian of the pupil,~~



collecting lunch money, and distributing and collecting report cards.

(D) The teacher is the usual contact for the parent or guardian of the pupil.

(E) Some planned instruction is given.

(3) For kindergarten and grades 1 to 3, inclusive, the meeting of a specific group of pupils for a particular period or periods for instruction by two or more teachers or for an extracurricular school activity, is not a “class.”

(f) This chapter does not prohibit the class size from exceeding 22 pupils on a particular day, if the districtwide average class size for the school year does not exceed 20.

(g) For purposes of this chapter, districtwide average class size is determined by calculating the total number of pupils in a district who are enrolled in classes at all grade levels that participate in the Class Size Reduction Program divided by the total number of classes in the district at all grade levels that participate in the class Size Reduction Program.

SEC. 10. Section 52123 of the Education Code is amended to read:

52123. ~~A~~ The application of a school district’s application district for funding to implement a program pursuant to this chapter shall include the district’s certification of each of the following items as a condition to receiving ~~any~~ an apportionment under Section 52126:

(a) Certification of the number of classes in each eligible grade level selected for a class size reduction apportionment pursuant to this chapter.

(b) Certification of pupil enrollment, as of October of the previous calendar year, in each class selected for class size reduction pursuant to subdivision (a). Classes comprised of special education pupils enrolled in special day classes on a full-time basis ~~shall~~ may not be included in this program. ~~School districts~~ A school district may not claim funding pursuant to this chapter for ~~any~~ a pupil who is enrolled in independent study pursuant to Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 for the full regular schoolday nor may a school ~~districts~~ district claim funding pursuant to this chapter for ~~any~~ a pupil for any portion of the full regular day that the pupil is enrolled in independent study pursuant to that article. ~~Charter schools~~ A charter school may not

1 claim funding pursuant to this chapter for ~~any~~ a pupil who is  
2 enrolled in a program of home study for the full regular schoolday  
3 nor may a charter ~~schools~~ school claim funding for ~~any~~ a pupil for  
4 any portion of the full regular schoolday that the pupil is enrolled  
5 in a program of home study.

6 (c) (1) ~~Except as provided in paragraph (2), certification~~  
7 *Certification* that a certificated teacher has been hired by the  
8 school district and is providing direct instructional services to each  
9 class selected for class size reduction pursuant to this chapter and  
10 that there are not more than 22 pupils in each class and not more  
11 than an annual districtwide average of 20 pupils per each class.

12 (2) ~~In a school district that applies for funding pursuant to~~  
13 ~~subdivision (h) of Section 52122, certification of all of the~~  
14 ~~following:~~

15 (A) ~~A certificated teacher has been hired by the school district~~  
16 ~~and is providing direct instructional services to each class selected~~  
17 ~~for class size reduction pursuant to this chapter.~~

18 (B) ~~The ratio of pupils to teacher does not exceed the 20 to 1~~  
19 ~~standard ratio by more than two pupils.~~

20 (3) ~~For the purposes of this subdivision, “class” shall be is~~  
21 ~~defined in the same manner as provided in the regulations adopted~~  
22 ~~by the Superintendent of Public Instruction prior to July 1, 1996,~~  
23 ~~pursuant to Sections 41376 and 41378 (subdivision (a) of Section~~  
24 ~~45103 of Title 5 of the California Code of Regulations) pursuant~~  
25 ~~to subdivision (e) of Section 52122.~~

26 (d) Certification that the school district has a staff development  
27 program pursuant to Section 52127 and that the program has been  
28 approved by the governing board of the school district.

29 (e) Certification that the school district will collect and  
30 maintain any data required by the Superintendent of Public  
31 Instruction that will aid in the evaluation of the Class Size  
32 Reduction Program. The data shall include, but not be limited to,  
33 individual test scores or other records of pupil achievement. ~~Any~~  
34 ~~data~~ Data collected shall be protected in a manner that will not  
35 permit the personal identification of any pupil or parent.

36 (f) ~~Commencing with the 1998–99 school year and each school~~  
37 ~~year thereafter, certification~~ *Certification* that each class reduced  
38 pursuant to this chapter is housed in either a separate,  
39 self-contained classroom or that the space of each class for each  
40 grade level at that schoolsite provides a square footage per pupil

enrolled in each class that is not less than the average square footage per pupil enrolled in those grade levels at that schoolsite in the 1995–96 school year.

SEC. 11. Section 52124 of the Education Code is amended to read:

52124. (a) ~~Any~~ A school district that implements a ~~Class-Size Reduction Program~~ *class size reduction program* pursuant to this chapter is subject to this section.

(b) A school district may establish a program to reduce class size in kindergarten and grades 1 to 3, inclusive, and that program shall be implemented at each schoolsite according to the following priorities:

(1) If only one grade level is reduced at a schoolsite, the grade level shall be grade 1.

(2) If only two grade levels are reduced at a schoolsite, the grade levels shall be grades 1 and 2.

(3) If three grade levels are reduced at a schoolsite, ~~then~~ those grade levels shall be kindergarten and grades 1 and 2 or grades 1 to 3, inclusive. Priority shall be given to the reduction of class sizes in grades 1 and 2 before the class sizes of kindergarten or grade 3 are reduced.

(4) If four grade levels are reduced at a schoolsite, ~~then~~ those grade levels shall be kindergarten and grades 1 to 3, inclusive. First priority shall be given to the reduction of class sizes in grades 1 and 2, second priority shall be given to the reduction of class size in kindergarten and grade 3. This paragraph shall be operative only in those fiscal years for which funds are appropriated expressly for the purposes of this paragraph.

(c) It is the intent of the Legislature to continue to permit the use of combination classes of more than one grade level to the extent that school districts are otherwise permitted to use that instructional strategy. However, any school district that uses a combination class in any class for which funding is received pursuant to this chapter may not claim funding pursuant to this chapter if the total number of pupils in the combination class, regardless of grade level, exceeds *a districtwide average of 20* pupils per certificated teacher assigned to provide direct instructional services.

(d) The governing board of a school district shall certify to the Superintendent of Public Instruction that it has met the

requirements of this section in implementing its ~~Class-Size Reduction Program~~ *class size reduction program*. If a school district receives funding pursuant to this chapter but has not implemented its ~~Class-Size Reduction Program~~ *class size reduction program* for all grades and classes for which it received funding pursuant to this chapter, the Superintendent of Public Instruction shall notify the Controller and the school district in writing and the Controller shall deduct an amount equal to the amount received by the school district under this chapter for each class *in the district* that the school district failed to reduce to ~~a~~ *an* average class size of 20 or less pupils from the school district's next principal apportionment or apportionments of state funds to the district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

SEC. 12. Section 52124.5 of the Education Code is amended to read:

52124.5. (a) ~~(1)~~ The Controller shall include instructions, appropriate to the enforcement of subdivision (d) of Section 52124, in the audit guide *or supplement to the audit guide* required by subdivision (a) of Section ~~14502~~ *14502.1*. These instructions shall include, but not necessarily be limited to, procedures for determining if the annual *districtwide* average class enrollment exceeds 20.4 for classes for which funding is provided to a school district pursuant to this chapter. The procedures to determine average class enrollment shall include criteria for employing sampling which will satisfy both of the following:

~~(A)~~

(1) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be done randomly.

~~(B)~~

(2) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days which occurred between the first day of instruction and April 15, ~~inclusively~~ *inclusive*, of the school year.

~~(2)-(A)~~

(b) (1) If the auditor concludes from the sample, based on his or her professional judgment, that districtwide average class size for the sampled classes is more than 20.4 when averaged over a period from the first day of instruction to April 15 of the school

year, ~~then~~ the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

(i)

(A) A review of all instructional days for all classes for which a district has requested funding pursuant to Section 52126.

(ii)

(B) A randomly selected sample of all classes and instructional days of sufficient size and designed in such a manner that the class size for each class, when averaged over the period from the first day of instruction to April 15, that the auditor can conclude that the average daily class size does not exceed 20 with an error of no more than 0.4 rate at 95 percent degree of confidence.

~~(B)~~

(2) The school district shall make the determination as to which of the two in-depth review methods set forth in ~~subparagraph (A) of paragraph (1)~~ subdivision (2) shall be used.

~~(b) The results of the audits conducted for the 1996-97 and 1997-98 school years shall be reported by the Superintendent of Public Instruction to the Legislature and the Department of Finance no later than February 1 of the fiscal year subsequent to the audit.~~

SEC. 13. Section 52126 of the Education Code is amended to read:

52126. The amount of funding that each school district implementing a class size reduction program pursuant to this chapter is eligible to receive shall be computed as follows:

(a) If a school district applies to participate in Option One, pursuant to subparagraph (A) of paragraph (2) of subdivision (b) of Section 52122, the Superintendent of Public Instruction shall apportion to the applicant school district an amount equal to eight hundred dollars (\$800) for each pupil actually enrolled in the classes in which the school district implements the program, except that the maximum number of pupils for which a school district may claim funding for any class ~~shall~~ *may* not exceed 22 *pupils on a particular day, provided that the average class size for the district during the school year does not exceed 20*. The number of pupils claimed pursuant to this subdivision shall be pupils actually enrolled in classes participating in the Class Size Reduction Program ~~and shall not be based on the average size of the classes for any grade levels for which funding is claimed.~~

1 (b) If a school district applies to participate in Option Two,  
2 pursuant to subparagraph (B) of paragraph (2) of subdivision (b)  
3 of Section 52122, the Superintendent of Public Instruction shall  
4 apportion to the applicant school district an amount equal to four  
5 hundred dollars (\$400) per pupil actually enrolled in the classes in  
6 which the school district implements the program, except that the  
7 number of pupils in any class for which a school district may claim  
8 funding for the instructional minutes offered ~~shall~~ *may* not exceed  
9 *22 pupils on a particular day, provided that the average class size*  
10 *for the district during the school year does not exceed 20.* The  
11 number of pupils claimed pursuant to this subdivision shall be  
12 pupils actually enrolled in classes participating in the Class Size  
13 Reduction Program ~~and shall not be based on the average size of~~  
14 ~~the classes for any grade levels for which funding is claimed.~~

15 (e) ~~(1) If a school district applies to participate in Option One,~~  
16 ~~pursuant to subparagraph (A) of paragraph (2) of subdivision (b)~~  
17 ~~of Section 52122, the Superintendent of Public Instruction shall~~  
18 ~~apportion to the applicant school district an amount equal to six~~  
19 ~~hundred fifty dollars (\$650) for each pupil actually enrolled in the~~  
20 ~~classes in which the school district implements the program and at~~  
21 ~~least one of the following conditions exists:~~

22 (A) ~~The requirements of subdivision (e) of Section 52122 have~~  
23 ~~been satisfied, except for the requirements of either paragraph (1)~~  
24 ~~or (2), of that subdivision, or both.~~

25 (B) ~~The pupil enrolls in the school district after February 16,~~  
26 ~~1998.~~

27 (2) ~~The maximum number of pupils for which a school district~~  
28 ~~may claim funding for any class does not exceed 20. The number~~  
29 ~~of pupils claimed pursuant to this subdivision shall be pupils~~  
30 ~~actually enrolled in classes participating in the Class Size~~  
31 ~~Reduction Program, and shall not be based on the average size of~~  
32 ~~the classes for any grade levels for which funding is claimed.~~

33 (d) ~~(1) If a school district applies to participate in Option 2,~~  
34 ~~pursuant to subparagraph (B) of paragraph (2) of subdivision (b)~~  
35 ~~of Section 52122, the Superintendent of Public Instruction shall~~  
36 ~~apportion to the applicant district an amount equal to three hundred~~  
37 ~~twenty five dollars (\$325) for each pupil actually enrolled in the~~  
38 ~~classes in which the school district implements the program and at~~  
39 ~~least one of the following conditions exists:~~



(A) ~~The requirements of subdivision (e) of Section 52122 have been satisfied, except for the requirements of either paragraph (1) or (2) of that subdivision, or both.~~

(B) ~~The pupil enrolls in the school district after February 16, 1998.~~

(2) ~~The maximum number of pupils for which a school district may claim funding for any class shall not exceed 20. The number of pupils claimed pursuant to this subdivision shall be pupils actually enrolled in classes participating in the Class Size Reduction Program, and shall not be based on the average size of the classes for any grade levels for which funding is claimed.~~

~~(e)~~

(c) The per pupil amount set forth in subdivisions (a) and (b) shall be increased annually for inflation by the percentage change determined pursuant to subdivision (b) of Section 42238.1.

~~(f)~~

(d) Except for the advance apportionment, the Superintendent of Public Instruction shall apportion funds to a school district only after certification that its ~~Class Size Reduction Program~~ *class size reduction program* has been implemented for that fiscal year.

~~(g)~~

(e) The Superintendent of Public Instruction shall apportion funds for this program in the following manner:

(1) An advance apportionment shall be made following passage of the annual Budget Act. This apportionment shall be provided to all school districts that participated in the program in the prior fiscal year; and shall be limited to 25 percent of the amount computed by multiplying the appropriate per pupil stipends times the actual enrollment in each participating class in the prior fiscal year, as reported by the district pursuant to subdivision (d) of Section 52124.

(2) Each year an apportionment to all applicants shall be made following receipt of applications submitted pursuant to Section 52123, adjusted as necessary by the amount received pursuant to paragraph (1). If a school district that participated in this program in the prior fiscal year fails to submit an application, all funds apportioned to that school district pursuant to paragraph (1) shall be deducted from the ~~district's~~ next monthly principal apportionment payment *received by the district*.



(3) A final adjustment to the amounts paid pursuant to paragraph (2) shall be made following receipt of the actual enrollment in each participating class, to be reported by each school district pursuant to subdivision (d) of Section 52124.

~~(h)~~

(f) Irrespective of the amount that a school district receives pursuant to subdivision (a) on the basis of the application it makes under Section 52123, that district ~~shall~~ *may* not retain any funds it receives for any class that does not actually meet all of the requirements of the Class Size Reduction Program.

~~(i)~~

(g) It is the intent of the Legislature that the total statewide amount computed for the purposes of this chapter pursuant to this section, commencing with the 1997–98 fiscal year, be appropriated to the Superintendent of Public Instruction in the annual Budget Act.

SEC. 14. Section 52335.2 of the Education Code is amended to read:

52335.2. The Superintendent of Public Instruction shall calculate a revenue limit for each ROC/P in the following manner:

(a) Calculate a base revenue limit per unit of average attendance for the current fiscal year as follows:

(1) Divide the revenue limit for the prior year computed pursuant to this section by the annual units of average daily attendance funded in the prior year pursuant to subdivisions (c) and (d).

(2) Increase the amount computed in paragraph (1) by the percentage inflation adjustment specified in the Budget Act for the current fiscal year multiplied by the statewide average ROC/P revenue limit per unit of average daily attendance for the prior fiscal year.

(b) Calculate a revenue limit per unit of average daily attendance for program growth by increasing the revenue limit per unit of average daily attendance for program growth computed pursuant to this subdivision for the prior fiscal year by the percentage inflation adjustment specified in the Budget Act for the current fiscal year.

(c) Multiply the amount computed pursuant to subdivision (a) by the lesser of the ROC/P's annual units of average daily

attendance for the current fiscal year or the ROC/P's annual units of funded average daily attendance for the prior fiscal year.

(d) Subtract the ROC/P's annual units of funded average daily attendance for the prior fiscal year from the ROC/P's annual units of average daily attendance for the current fiscal year and multiply the difference by the amount computed pursuant to subdivision (b). If the product computed pursuant to this subdivision is negative, it shall be deemed to be zero.

(e) Except as provided in Section 52335.3, the Superintendent of Public Instruction shall apportion to the ROC/P the sum of the amounts computed pursuant to subdivisions (c) and (d).

(f) The average daily attendance used for purposes of this section shall not include the average daily attendance in schools receiving funding pursuant to Section 52324.6.

~~(g) Any state funds made available as a result of local property tax revenues deducted pursuant to Section 52335.3 shall be allocated to each ROC/P in an equal amount per unit of funded average daily attendance and shall not be included in the calculation of the base revenue limit made pursuant to subdivision (a) for the subsequent fiscal year.~~

~~(h) Before making the calculations described in subdivisions (e) and (d) to determine the amount to be apportioned to each ROC/P pursuant to subdivision (e) for the 1998-99 fiscal year, average daily attendance for the 1997-98 fiscal year shall be adjusted by a factor equal to the number one minus the quotient of the number of units of that ROC/P's 1996-97 average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996, divided by that ROC/P's total 1996-97 average daily attendance.~~

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to address the current budget shortfall and to ensure continued funding and operation of the elementary and secondary public schools in this state, it is necessary that this act take effect immediately.

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